

Consultation on changes to Pillar 2 and prudential reporting

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1 Executive summary

1.1 Overview

- 1.1.1 We are seeking feedback on proposed updates to our requirements relating to pillar 2 and prudential reporting, as part of our wider Basel III implementation programme.
- 1.1.2 These proposals are intended to ensure that our supervisory approach and reporting framework are consistent with our revised prudential requirements. We have published near-final drafts of those requirements on our Basel III webpage and intend to finalise them by the end of July 2026.
- 1.1.3 We are proposing revisions to our pillar 2 guidance and to how we use banks' own assessments to set capital minima and buffers. The main changes reflect the revised prudential requirements, including transitional arrangements.
- 1.1.4 In the longer term, we intend to consider how our pillar 2 guidance and supervisory processes can be made more efficient and responsive across all Jersey incorporated banks (JIBs), to support a more efficient and consistent supervisory framework, enabling us to focus our resources on emerging risks and business developments.
- 1.1.5 We also propose changes to the prudential reporting template and guidance for JIBs. These changes largely reflect the revised prudential requirements, including the introduction of new reporting sections derived from PRA templates where we have aligned our rules.
- 1.1.6 In the near term, we outline potential revisions to the prudential reporting template for branches of overseas incorporated banks (Jersey branches). These are indicative only and would be subject to a future consultation.
- 1.1.7 In the longer term, we intend to consider opportunities to simplify prudential reporting requirements through the development of a consistent framework for all banks without compromising supervisory effectiveness. Any such changes would be subject to further development and, where appropriate future consultation.
- 1.1.8 The proposals in this consultation are based on a consistent baseline of prudential reporting requirements for all banks. We will retain the ability to require additional or more frequent reporting where necessary for supervisory purposes.

1.2 What is proposed and why?

Pillar 2 (Section 3)

- 1.2.1 We propose to revise our [Pillar 2 in Jersey — Jersey Financial Services Commission](#) (Pillar 2 guidance note) to reflect changes to our prudential requirements arising from the implementation of Basel III.
- 1.2.2 We will restructure the guidance to place all liquidity-related elements into a separate section, incorporating liquidity management and contingency planning requirements currently set out in [Liquidity Management and Reporting Jersey Incorporated Deposit Takers — Jersey Financial Services Commission](#). This will ensure that all relevant guidance is located in a single document.
- 1.2.3 We will also clarify the approach JIBs should take when assessing whether higher capital minima and/or Pillar 2 buffers are appropriate. We intend to use this information to streamline our supervisory processes.

- 1.2.4 In addition, we will provide guidance on transitional arrangements, including seeking information from banks on capital minima and buffers both before and after transition to Basel III. We intend to reflect these assessments in conditions of registration.
- 1.2.5 In the longer term, we intend to make the Pillar 2 process more risk-based. This would include reviewing the frequency of ICAAP submissions and the scope and depth of our supervisory reviews to improve proportionality across firms, informed by our revised prudential risk model, which is currently under development.

Prudential reporting (Section 4)

- 1.2.6 We propose to make substantial revisions to prudential reporting in areas where our rules have changed significantly as part of our implementation of Basel III. In developing the revised templates, we have drawn on PRA reporting requirements, with simplifications appropriate to the Jersey framework.
- 1.2.7 In other areas, reporting requirements are largely unchanged, except where modest consequential amendments are necessary.
- 1.2.8 In the medium term, we intend to consider changes to branch reporting requirements, including the collection of data relevant to the Jersey Bank Depositors Compensation Scheme, now under the JRDCA, as outlined in Section 4.4.
- 1.2.9 In the longer term, we intend to reflect our revised supervisory risk-based approach including reviewing the frequency of prudential reporting and simplifying elements of the returns, as discussed in Section 4.4. This will be based on a consistent baseline applicable to all banks, with flexibility for us to request additional information where necessary.

1.3 Who would be affected?

- 1.3.1 The proposals set out in this consultation paper directly affect JIBs.
- 1.3.2 Sections 4.3 and 4.4, which relate to potential future changes to prudential reporting, are also relevant to Jersey branches.
- 1.3.3 The implementation of Basel III will indirectly affect customers of banks in Jersey, either through these proposals for JIBs or through home-state implementation for Jersey branches.

1.4 Invitation to comment

- 1.4.1 We welcome views from stakeholders on the proposals set out in this consultation paper.
- 1.4.2 Please submit responses by 5:00pm on Friday 31 July 2026.

2 Consultation

2.1 Basis for consultation

- 2.1.1 The JFSC is a statutory body corporate established under the Financial Services Commission (Jersey) Law 1998 (the Commission Law). It is responsible for the supervision and development of financial services provided in or from within Jersey.
- 2.1.2 We have issued this consultation paper in accordance with Article 8(3) of the Commission Law, as amended, under which the JFSC “may, in connection with the carrying out of its functions ...consult and seek the advice of such persons or bodies whether inside or outside Jersey as it considers appropriate”.

2.2 Background

- 2.2.1 The Basel Committee has revised the international standard for prudential supervision of internationally active banks, the Basel Framework, through its package of reforms known as Basel III.
- 2.2.2 We have revised our prudential requirements as part of this work. This process began with the publication of our [Basel III Prudential Roadmap \(jerseyfsc.org\)](https://jerseyfsc.org) in 2024 and is approaching completion with the issuance of near-final drafts of the new rules under Basel III, which we intend to finalise by the end of July 2026.
- 2.2.3 We intend to permit JIBs to transition to the revised requirements by 1 July 2027.

2.3 Have your say

- 2.3.1 We invite feedback on this consultation paper by **5:00pm on Friday 31 July 2026**.
- 2.3.2 A response form has been published alongside this consultation. For each question, respondents should use the free-text box to provide comments and, where relevant, indicate their level of support by selecting one of the following options:
 - › support
 - › support with concerns
 - › do not support
- 2.3.3 Responses should be submitted using the [consultation response form](#).
- 2.3.4 If a response is submitted by an industry body or trade association, we ask that the respondent also provide a brief description of the type of individuals or institutions it represents.
- 2.3.5 Any queries relating to this consultation should be directed to policy@jerseyfsc.org.

2.4 What next?

- 2.4.1 We will consider the feedback received and publish a feedback paper summarising our analysis and responses.
- 2.4.2 Taking account of consultation feedback and any changes arising from the finalisation of the prudential requirements, in Q3 2026 we intend to publish:
 - › updated Pillar 2 guidance
 - › new and revised prudential return completion guides
 - › a revised Banking Code: Main Body, removing the superseded prudential requirements in section 5 and the appendices and reflecting these proposals

- 2.4.3 We are also updating our prudential reporting system to accept the revised returns. We will invite JIBs to test the new system ahead of transition in 2027.

3 Pillar 2

3.1 Capital adequacy guidance

- 3.1.1 We will revise the guidance on capital adequacy-related risks to reflect the changes to our prudential requirements following the implementation of Basel III.
- 3.1.2 For concentration risk, we will reflect the revised requirements and require JIBs to explain how they would manage events that could lead to increases in exposure, such as changes in foreign exchange rates, reductions in the value of credit risk mitigation and drawdowns of facilities. JIBs will also be expected to state the level of Tier 1 capital they target in order to maintain compliance with large exposure requirements.
- 3.1.3 For credit risk, we will reflect the revised requirements and require JIBs to describe their due diligence processes for rated exposures, together with any methodologies used to categorise unrated exposures.
- 3.1.4 For operational risk, we will introduce a requirement for JIBs to consider historical loss experience, including losses previously reported to us.
- 3.1.5 For market risk and trading book risk, we will require JIBs to document any trading books and, where the risk is material, to provide an assessment using relevant group models.
- 3.1.6 For interest rate risk, we will clarify that we expect JIBs to explain any material exposure to interest rate risk in the banking book and how this risk is managed.
- 3.1.7 Otherwise, we intend to retain the substance of the existing guidance, while improving clarity where appropriate.

Question 1

Do you have any concerns regarding the proposed additions?

Question 2.

Are there any areas where you consider that improved guidance is needed, including as a result of changes to the prudential requirements?

3.2 Liquidity adequacy

- 3.2.1 We will consolidate all liquidity-related guidance into a new dedicated section. This will incorporate the liquidity management and contingency planning requirements currently set out in [Liquidity Management and Reporting Jersey Incorporated Deposit Takers — Jersey Financial Services Commission](#), which we will subsequently withdraw.
- 3.2.2 As part of this consolidation, we will merge the guidance on liquidity recovery plans and liquidity contingency plans.
- 3.2.3 Other than these structural changes, we will retain the substance of the existing guidance. These changes are not intended to alter the approach to the liquidity coverage ratio requirements.
- 3.2.4 We will require JIBs subject to the NSFR requirement to take this requirement into account, while also making clear that JIBs should consider additional stress tests over both shorter and longer time horizons.

Question 3

Do you support the consolidation of liquidity guidance into a single section, including the merger of recovery and liquidity contingency planning guidance?

Question 4.

Is there a need for improved guidance on liquidity adequacy, including as a result of changes to the prudential requirements?

3.3 Capital minima and buffers

- 3.3.1 We will provide additional guidance on determining capital minima and Pillar 2 buffers. This is intended to enable JIBs to determine appropriate levels within their ICAAP and to make recommendations supported by analysis.
- 3.3.2 For total capital, we propose the following approach:
 - › determine the amount of Pillar 2 capital required to address point-in-time risks not captured, or not adequately captured in Pillar 1 (the Pillar 2 capital requirement);
 - › calculate Pillar 2 RWAs as 12.5 times the Pillar 2 capital requirement, and Total RWAs as the sum of Pillar 1 RWAs and Pillar 2 RWAs;
 - › determine the total capital minimum by multiplying the ratio of Total RWAs to Pillar 1 RWAs by 8 per cent; and
 - › determine the Tier 1 and CET1 minima by multiplying the same ratio by 6 per cent and 4.5 per cent respectively.
- 3.3.3 We will require JIBs to assess whether a Pillar 2 buffer is necessary, taking into account the potential for changes over time. This assessment should include stress tests covering adverse economic conditions, exposure to foreign exchange risk on the balance sheet, and circumstances in which growth exceeds the level supported by organic capital generation.
- 3.3.4 A JIB should determine its Pillar 2 buffer by considering the potential decline in its capital ratios over the forecast period, taking into account the results of risks.
- 3.3.5 We will refine our internal processes so that we can align bank-specific capital minima and Pillar 2 buffers, set as conditions of registration, with the JIB's own assessment at an early stage.
- 3.3.6 While we expect to place reliance on a JIB's own assessments at an early stage, we will review and where necessary, challenge assessments including pillar 2 buffer allocations where they do not adequately reflect the bank's risk profile.
- 3.3.7 Submission of an ICAAP will not in itself imply automatic revision of capital requirements or a full supervisory review, however, we expect to make timely use of JIB's assessments where appropriate.
- 3.3.8 This approach does not preclude us from subsequently reviewing the ICAAP and underlying processes and agreeing changes where appropriate. However, it avoids the need for a separate supervisory process to establish initial minima and buffers.

Question 5

Do you support the proposal to place primary responsibility for determining capital minima and buffers with JIBs?

Question 6.

Do you have any concerns regarding the proposed processes?

3.4 Transition

- 3.4.1 We will revise the guidance to require JIBs to forecast the impact of Basel III changes on prudential requirements. This will include an assessment of capital minima and buffers both before and after transition, and we intend to reflect these assessments in conditions.
- 3.4.2 We will establish conditions that allow for the automatic variation of capital minima and Pillar 2 buffers following the completion of transition.

Question 7

Do you support the approach to transition?

3.5 Future

- 3.5.1 In the longer term, we will consider how our pillar 2 process including ICAAP submissions and supervisory review practices can be streamlined across all JIBs. The aim of which is to improve the efficiency, reduce unnecessary complexity and enable supervisory resource to focus on material risks and business developments. This work will be supported by enhancements to our supervisory framework and informed by our revised prudential risk model which is currently under development.
- 3.5.2 We will communicate changes in a clear and timely manner to JIBs, including how individual risk ratings are determined and how these affect ICAAP expectations such as where we require additional information or more detailed engagement where deemed necessary for effective supervision. We will also update the pillar 2 guidance to explain the revised prudential risk model and its interaction with Pillar 2 requirements, as appropriate.
- 3.5.3 This work may identify a cohort of banks that are systemically important, although not highly systemic. If so, we will consult on the introduction of an additional buffer for such banks.
- 3.5.4 We will consider whether any further targeted enhancements to the Pillar 2 framework are required to address particular risk characteristics or activities. Any such changes would be subject to further development and, where appropriate, future consultation.

Question 8

Do you support a more risk-sensitive approach to the ICAAP process?

4 Prudential reporting

4.1 Basel III related proposals

- 4.1.1 We will substantially revise prudential reporting for areas where we have made significant changes to our rules as part of our work on Basel III. In doing so, we have drawn on PRA reporting requirements, with proposed simplifications.
- 4.1.2 We propose to include the new Basel III related tabs in a new Excel workbook, the Basel III Supplementary Returns workbook – while revising the current Excel workbook to reflect the minimal changes described in Section 4.2 and further described in Section 4.3.

- 4.1.3 The new Basel III supplementary template is included at Appendix A, and Appendix C sets out details of the changes and related guidance.
- 4.1.4 The main Basel III-related changes that apply to all JIBs relate to revised requirements in:
 - › credit risk (standardised approach)
 - › operational risk
 - › large exposures
 where new reports are proposed to replace existing reporting.
- 4.1.5 JIBs that use internal ratings-based approaches will also be subject to revised reporting for:
 - › IRB (where relevant)
 - › NSFR (where relevant)
 - › Leverage ratio (where relevant)
- 4.1.6 All new reporting has been derived from PRA prudential reporting, with significant simplifications, as described in Appendix C. We have consciously adopted this approach because the PRA's reporting framework aligns closely with our revised requirements and because UK-based regtech providers, analysts, auditors and bank staff are more likely to be familiar with UK reporting than with a bespoke Jersey framework.
- 4.1.7 We welcome suggestions on how the impact of these changes could be reduced.
- 4.1.8 There are also a small number of areas where we propose more modest revisions. These are set out in Appendix C. For example, we seek confirmation as to whether JIBs are highly systemic or have material overseas banking operations, and we propose simplified reporting of credit risk relating to settlement risk.
- 4.1.9 We do not intend to change the mechanics of submission. JIBs will continue to submit the Excel spreadsheet via the portal, with automated validation and feedback provided on submission. We are not proposing to move to the UK's XBRL approach to data collection.

Question 9

Do you support the general approach to prudential reporting?

Question 10

Do you have suggestions for how the reporting could be simplified? Please provide as much detail as possible, including identification of areas that are complex to implement and any proposed alternatives. In particular, we seek feedback on:

- › whether to combine OTC derivative and settlement risk reporting for banks that use IRB
- › how to simplify securitisation reporting, particularly where exposures are not material

4.2 Other changes

- 4.2.1 Most other elements of the prudential return are unchanged. The main exceptions are:
 - › revisions to asset quality reporting, where we propose to collect more granular data on bad debts including provisions
 - › revisions to parent account data, where we propose to collect additional information while permitting reporting in the parent's reporting currency, to avoid

the need for restatement as exchange rates change. This would also be populated annually when the parent annual report became available.

- 4.2.2 These changes, together with a small number of additional amendments, are included in the revised template at Appendix B with details of the changes set out in Appendix C.

Question 11

Do you have any other comments on the proposals, including on the details provided in Appendix C?

4.3 Submissions of Basel III related changes

- 4.3.1 We propose to include the new Basel III related tabs under Section 4.1 in a new Excel workbook, the Basel III Supplementary Returns workbook.
- 4.3.2 We propose revising the Capital Adequacy tab (Sheet 6.1) in the current Excel workbook so that RWAs based on the new rules for Operational risk and Credit risk (SACR and IRB) become input cells as these would no longer link to the existing approach to operational risk and credit risk. Our reporting guidance will be updated to cross reference the relevant items in the new Basel III Supplementary returns workbook.
- 4.3.3 We propose retaining the existing reporting templates in the current Excel workbook and we will update the guidance to confirm which sections no longer need to be populated following the transition.
- 4.3.4 Each of the two Excel workbooks will be submitted via the portal as a separate data collection.
- 4.3.5 Having two separate Excel workbooks during the transition period allows for flexibility when banks are transitioning to Basel III. A bank transitioning earlier can submit both workbooks while a bank that is yet to transition can continue to submit the revised workbook without changing the approach to submitting it.

Question 12

Do you support the approach to having the Basel III related changes in a separate workbook, the Basel III Supplementary excel workbook?

4.4 Jersey Branch reporting

- 4.4.1 In the medium term, we will consider whether branch reporting requirements should be amended, particularly to reflect the changes outlined in Section 4.2. This will include the collection of data relevant to the Jersey Bank Depositors Compensation Scheme, now under the JRDCA.
- 4.4.2 Any changes would be subject to consultation and would not be expected to take effect before 31 December 2027.

Question 13

Do you have any comments on the future approach to Jersey Branch reporting?

4.5 Future

- 4.5.1 In the longer term, we will consider how prudential reporting and wider supervisory processes can be more efficient and responsive across all firms enabling increased focus on emerging risks and business developments.
- 4.5.2 We may also explore opportunities to simplify elements of prudential reporting, including the potential use of more streamlined data collections where appropriate.
- 4.5.3 Any such changes would be considered with a view to improving efficiency across the supervisory framework while maintaining appropriate prudential standards. We intend to consider and consult with specific proposals in due course.
- 4.5.4 Nothing in these proposals limits our ability to request additional data, alter reporting frequency or tailor information requirements where this is necessary for effective supervision.

Question 14

Do you agree with the proposal to move towards a more streamlined reporting framework based on a consistent baseline, while retaining flexibility to request additional information where necessary?

5 Summary of questions

Page	Question
6	Question 1 Do you have any concerns regarding the proposed additions?
6	Question 2 Are there any areas where you consider that improved guidance is needed, including as a result of changes to the prudential requirements?
7	Question 3 Do you support the consolidation of liquidity guidance into a single section, including the merger of recovery and liquidity contingency planning guidance?
7	Question 4 Is there a need for improved guidance on liquidity adequacy, including as a result of changes to the prudential requirements?
7	Question 5 Do you support the proposal to place primary responsibility for determining capital minima and buffers with JIBs?
7	Question 6 Do you have any concerns regarding the proposed processes?
8	Question 7 Do you support the proposed approach to transition?
9	Question 8 Do you support a more risk-sensitive approach to the ICAAP process?
10	Question 9 Do you support the general approach to prudential reporting?
10	Question 10 Do you have suggestions for how the reporting could be simplified? Please provide as much detail as possible, including identification of areas that are complex to implement and any proposed alternatives. In particular, we seek feedback on: › whether to combine OTC derivative and settlement risk reporting for banks that use IRB › how to simplify securitisation reporting, particularly where exposures are not material
10	Question 11 Do you have any other comments on the proposals, including on the text provided in Appendix C?

Page	Question
11	Question 12 Do you support the approach to having the Basel III related changes in a separate workbook, Basel III Supplementary excel workbook?
11	Question 13 Do you have any comments on the future approach to Jersey Branch reporting?
12	Question 14 Do you agree with the proposal to move towards a more streamlined reporting framework based on a consistent baseline, while retaining flexibility to request additional information where necessary?

Appendix A: Proposed new template

[See our proposed new template for supplementary JIB prudential reporting](#)

Appendix B: Revised template

[See our proposed revised template for JIB prudential reporting](#)

Appendix C: Proposed guidance

In the order set out in the JIB template.

1. Liquidity ratios

The templates and guidance for the LCR and the NSFR for banks not subject to the NSFR requirement are unchanged.

For banks subject to the NSFR requirement, the template is based on the PRA's template (see <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/policy-statement/2023/december/ps1523app4.xlsx>), and the guidance will be based on the PRA's guidance (see <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/policy-statement/2023/december/ps1523app2.pdf>). The main simplification is that we have included calculations within the template, based on data input on the required and available stable funding sheets, to reduce the amount of manual input required.

2. Financials

There is no change to the Liabilities or Profit and Loss sheets.

The Assets and Off-balance sheets, Sheet 2.1 and 2.4, will be amended to require JIBs to report exposures held in a trading book (if any), notwithstanding that there is no regulatory trading book treatment.

In addition, two SME lines (one for corporate and one for retail) have been added to allow JIBs to report separately the portion of exposures that relate to SMEs, as defined for capital adequacy purposes.

The Credit Summary (Sheet 2.2) has been removed.

3. Standardised approach to credit risk

All sheets have been replaced except the sheet on netted assets, Sheet 3.8, which is retained unchanged.

The Credit Risk: Standardised Approach (CRSA) reporting is based on the PRA's template (see <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/regulatory-reporting/banking/2026/january/annex-i-of-07-00-credit-risk-sa-reporting-template.xlsx>), with guidance to be based on the PRA's instructions (see <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/regulatory-reporting/banking/2026/january/annex-ii-reporting-instructions.pdf>).

We have significantly simplified the reporting by removing all lines other than total exposure, which must be reported for each category. This new CRSA sheet will be used to report all CRSA exposures except those relating to settlement risk and OTC derivatives, which have separate sheets.

The new OTC derivatives sheet is based on the previous OTC sheets. However, JIBs are now required to report totals for each time bucket and exposure type, rather than completing calculations linked to risk-weight breakdowns. Apart from this change, the guidance is largely unchanged.

4. Operational risk

Both sheets have been replaced with new sheets based on the PRA's templates (see <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/regulatory-reporting/banking/2026/january/annex-i-of-16-00-operational-risk-reporting-template.xlsx>), with guidance to be based on the PRA's reporting instructions (see <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/regulatory-reporting/banking/2026/january/annex-ii-reporting-instructions.pdf>).

The main simplification is that JIBs are only required to input data on three sheets, with calculations populated automatically for many fields using this data.

Specifically, JIBs must complete the following sheets:

- › 4A.1: Dates of approvals (if any) relating to divested activities
- › 4A.4: Business Indicator Component inputs
- › 4A.5: Historical losses (only for the largest banks)

The remaining sheets calculate the following, with no manual input required:

- › 4A.2: Minimum required capital
- › 4A.3: Basic Indicator Component
- › 4A.6: Theoretical ILM derived from historical losses (the ILM will be fixed at 1 for the foreseeable future)

5. Standardised approach to market risk

The only amended sheet relates to credit risk arising from settlement risk (Sheet 5.3). This sheet now requires only high-level reporting of free deliveries and the related mark-to-market of receivables, together with the associated RWAs.

This approach will apply to JIBs using the CRSA and may also be used for all free deliveries.

6. Capital ratios

The templates and guidance for capital adequacy and leverage ratio reporting for banks not subject to the leverage ratio requirement are broadly unchanged, except that calculated totals for credit risk and operational risk will now be inputs based on the revised rules. Specifically:

- › Item 85a Risk weighted assets – credit risk: Standardised Approach should equal the total risk-weighted exposure amount in cell Y23 of 3A.1 CRSA of the supplementary return
- › Item 85b Risk weighted assets – credit risk: Foundation IRB should equal the risk-weighted exposure amount after supporting factors in cell AI10 of 13A.1 IRB RWAs of the supplementary return
- › Item 85c Risk weighted assets – credit risk: Advanced IRB should equal the risk-weighted exposure amount after supporting factors for AIRB in cell AI9 of 13A.1 IRB RWAs of the supplementary return
- › Item 86b Risk weighted assets – operational risk: Standardised Approach should equal the Operational risk RWAs in cell C5 of 4A.2 ORSA MRC of the supplementary return

For banks subject to the leverage ratio requirement, we have included a new template (Sheet 6A.2) that is based on the PRA's template (see <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/consultation-paper/2021/june/cp1421app6a.xlsx>), and guidance will be derived from the PRA's instructions (see <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/regulatory-reporting/banking/2026/january/annex-xi-reporting-on-leverage.pdf>). We have simplified the PRA's reporting by removing detailed data items and retaining only the main reporting sheet.

7. Interest rate risk in the banking book

These sheets and the associated guidance are unchanged.

8. Loans and deposits

The Total Deposits and Lending by Sector templates and guidance are unchanged.

We have included a more detailed breakdown of asset quality and loan security by asset type (Sheet 8.7) to supplement the existing information provided in Sheet 8.1 and 8.2.

The Large Exposures and Exempt Large Exposures sheets have been replaced with 4 new sheets (based on the PRA's templates (see <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/regulatory-reporting/banking/corep-le-concentration-risk.xlsx>) and the PRA's guidance

(see <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/regulatory-reporting/banking/2025/corep-le-concentration-risk-instructions.pdf>).

We propose minimal amendments, the most significant being the inclusion of performance status and maturity date and an input cell for Tier 1 capital on 8A.1 LE Limits that should equal item 45 on sheet 6.1

9. Other prudential data

The Additional Data, Commentary on Movements, Local Interbank Market and Directors Interests sheets are unchanged.

The DCS data sheet has been amended following discussions with the JRDCA and reflects the new legal provisions.

The FIRB and AIRB sheets have been removed and replaced with a new IRB data section.

The Other Information sheet has been expanded to include information relevant to assessing whether a bank is highly systemic, whether it has material overseas banking operations, and its IT expenditure.

The Fiduciary Activity sheet has been expanded to provide more detail on the nature of fiduciary activities.

The Parent Accounts sheet has been revised to collect additional information. At the same time, we will permit reporting in the parent's reporting currency, so that restatement is not required when exchange rates change.

10. Liquidity supporting data

These sheets and the associated guidance are unchanged.

13. IRB data

The IRB RWAs sheet is based on sheet 08.01 of the PRA's reporting templates and guidance (see <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/policy-statement/2026/january/ps126app17.pdf>). We will require reporting only of total exposures for the classes and sub-classes shown.

The Supporting Data and Back-testing sheets will be required for the top four exposure classes. However, we are considering instead requiring these data for the top four models, if feasible. These sheets are based on PRA sheets 8.02 and 8.05.

The Counterparty Credit Risk sheet is intended to allow separate reporting of OTC derivatives and settlement risk. We seek feedback on whether banks would prefer to report all such risks on the OTC derivatives and settlement risk sheets used for standardised approaches, given that such exposures are rarely significant.

14. Securitisation

The Securitisation sheet is based on the PRA's reporting template and guidance for template 13.01 (see <https://www.bankofengland.co.uk/-/media/boe/files/prudential-regulation/policy-statement/2026/january/ps126app17.pdf>).

We welcome suggestions on how this reporting could be simplified, particularly where exposures are not material.

Glossary

Defined terms are indicated throughout this document as follows:

Basel III	Latest revision of the Basel Framework
Basel Framework	International standard for bank prudential regulation
BBJL	Banking Business (Jersey) Law 1991
BLP	Bank Licensing Policy
Capital Buffer	Amount by which a capital ratio must exceed the relevant minimum in order to not trigger a requirement to notify the JFSC. The sum of the Capital Conservation Buffer and any Pillar 2 buffer set by us.
Capital Conservation Buffer	Standard Capital Buffer for all JIBs, set at 2.5%
Commission Law	Financial Services Commission (Jersey) Law 1998
ICAAP	The term ICAAP is used herein to refer to the document that records the considerations made and conclusions reached as a result of a bank's internal capital and liquidity adequacy assessment processes and its recovery plans
JDCS	Jersey Bank Depositors Compensation Scheme
Jersey branch	The Jersey branch of an OIB
JFSC / us / we	Jersey Financial Services Commission
JIB	Jersey incorporated bank, being a registered person incorporated in Jersey
JRDCA	Jersey Resolution and Depositors Compensation Authority
OIB	Overseas incorporated bank, being a registered person incorporated in a jurisdiction other than Jersey
Pillar 1	One of the three Pillars established in Basel II, this deals with the formulaic calculation of minimum regulatory capital requirements in respect of credit, market and operational risk.
Pillar 2	One of the three Pillars established in Basel II, this covers a requirement for each JIB to assess and record the full range of risks to which it is exposed, the mitigation it applies and any resultant capital requirement in addition to that generated under Pillar 1.
Pillar 2 buffer	Increase in the Capital Buffer set by us, over and above the Capital Conservation Buffer, to address risks, following the completion of an ICAAP review.
Registered person	A person who is registered, or holds a permit or certificate, as applicable, under one or more of the regulatory laws
SME	Small and Medium-sized Entities, as defined by the JFSC.